

**Budget System and Financial Control Audit**

**July 2003**

**Reference Number: 2003-1C-145**

This report has cleared the Treasury Inspector General for Tax Administration disclosure review process and information determined to be restricted from public release has been redacted from this document.



INSPECTOR GENERAL  
for TAX  
ADMINISTRATION

DEPARTMENT OF THE TREASURY  
WASHINGTON, D.C. 20220

July 25, 2003

MEMORANDUM FOR DAVID A. GRANT  
DIRECTOR OF PROCUREMENT  
INTERNAL REVENUE SERVICE

A handwritten signature in cursive script that reads "Daniel R. Devlin".

FROM: Daniel R. Devlin  
Assistant Inspector General for Audit (Headquarters Operations  
and Exempt Organizations Programs)

SUBJECT: Budget System and Financial Control Audit  
(Audit # 200310002.036)

The Defense Contract Audit Agency (DCAA) examined the contractor's budget and planning system as of February 28, 2003. The purpose of the examination was to ensure that the contractor's system of budget and planning controls is adequate to provide budgets and plans that are reasonable and compliant with applicable laws and regulations. The examination was also used to evaluate the contractor's compliance with the system's internal control requirements.

The DCAA stated that the budget and planning system and related internal control policies and procedures of the contractor are adequate. However, the DCAA noted other matters involving the budget and planning system and related internal controls. Although they are not considered to be significant deficiencies at this time, the DCAA believes these deficiencies should be communicated to the management of the contractor.

The information in this report should not be used for purposes other than that intended without prior consultation with the Treasury Inspector General for Tax Administration regarding its applicability.

If you have any questions, please contact me at (202) 622-8500 or John R. Wright, Director, at (202) 927-7077.

Attachment

# NOTICE:

The Office of Inspector General for Tax Administration has no objection to the release of this report, at the discretion of the contracting officer, to duly authorized representatives of the contractor.

The contractor information contained in this report is proprietary information. The restrictions of 18 USC 1905 must be followed in releasing any information to the public.

This report may not be released without the approval of this office, except to an agency requesting the report for use in negotiating or administering a contract with the contractor.

